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DEPARTMENT OF COMMERCE  
Foreign-Trade Zones Board  
[B-57-2015]

Foreign-Trade Zone (FTZ) 265 – Conroe, Texas  
Notification of Proposed Production Activity  
Bauer Manufacturing Inc.  
(Stationary Oil/Gas Drilling Rigs)  
Conroe, Texas

The City of Conroe, Texas, grantee of FTZ 265, submitted a notification of proposed production activity to the FTZ Board on behalf of Bauer Manufacturing Inc. (Bauer), located in Conroe, Texas. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on August 19, 2015.

Bauer has authority to produce pile drivers and leads, boring machinery, foundation construction equipment, foundation casings, related parts and sub-assemblies, and tools and accessories for pile drivers and boring machinery within Site 1 of FTZ 265. The current request would add new finished products (stationary oil/gas drilling rigs and related subassemblies) and foreign-status materials and components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials and components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Bauer from customs duty payments on the foreign status materials and components used in export production. On its domestic sales, Bauer would be able to choose the duty rate during customs entry procedures that applies to pile drivers and leads, boring machinery, foundation construction equipment, foundation casings, related parts

and sub-assemblies, tools and accessories for pile drivers and boring machinery, and stationary oil/gas drilling rigs and related subassemblies (duty rates: free, 2.9%, or 5.0%) for the foreign status materials and components noted below and in the existing scope of authority. Customs duties also could possibly be deferred or reduced on foreign status production equipment.

The materials and components sourced from abroad include: subassemblies and components for stationary drilling rigs; sealing paper for gaskets; printed materials (protective covers for keyboards); electric voltage converters; cotton transport straps (Subheading 5806.31, 8.8%); antennas; steel flanges; expansion tanks; and, metal clamps (duty rate ranges from free to 8.8%). Inputs included in textile category 229 (classified within HTSUS Subheading 5806.31) will be admitted to the zone in privileged foreign status (19 CFR 146.41), thereby precluding inverted tariff benefits on such items.

Public comment is invited from interested parties. Submissions shall be addressed to the FTZ Board's Executive Secretary at the address below. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the FTZ Board's website, which is accessible via [www.trade.gov/ftz](http://www.trade.gov/ftz).

For further information, contact Pierre Duy at [Pierre.Duy@trade.gov](mailto:Pierre.Duy@trade.gov) or (202) 482-1378.

Dated: August 28, 2015.

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Andrew McGilvray,  
Executive Secretary.